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SUBJECT: AMBASSADOR JENKINS DISCUSSES MOLYBDENUM-99 WITH
SOUTH AFRICA'S NECSA

REF: STATE 113758

¶1. (SBU) Summary: Ambassador Bonnie Jenkins met with Nuclear Energy Corporation of South Africa (NECSA) Chief Executive Officer Rob Adam on November 10. They discussed the Nuclear Security Summit, the bilateral agreement on cooperation in nuclear energy R&D, and cooperation on production of medical radioisotope molybdenum 99. Adam expressed a commitment to increasing production of Low Enriched Uranium-based moly-99 production and asked if the USG would remain committed to purchasing NECSA production when Canadian HEU-based production came back on line. Action request at paragraph 8.
End Summary.

¶2. (SBU) NUCLEAR SECURITY SUMMIT: Ambassador Bonnie Jenkins met with Nuclear Energy Corporation of South Africa (NECSA) CEO Rob Adam on November 10. She provided some information on the Nuclear Security Summit. Ambassador Jenkins noted the Summit was a start on President Obama's four-year effort to secure all vulnerable nuclear materials.

¶3. (SBU) VISIT TO PELINDABA: Ambassador Jenkins noted the request from the USG to hold consultations under the bilateral peaceful uses of nuclear energy "123" agreement at the Pelindaba Nuclear Facility operated by NECSA. Adam said the SAG would have the lead on this request; he said NECSA is an implementer, under the SAG direction. Ambassador Jenkins reiterated the USG invitation to the SAG to visit nuclear facilities in the U.S., now targeted for first quarter 2010. Adam expressed interest in participating.

¶4. (SBU) REGIONAL NUCLEAR SECURITY TRAINING CENTER: Ambassador Jenkins expressed support for a regional nuclear security training center in South Africa as a way to augment bilateral and trilateral cooperation, an idea broached at the Einhorn-Minty nuclear security dialogue in August. Adam said the idea was interesting, but wondered how it would work. Ambassador Jenkins proposed that there be a working group to discuss implementation. Adam worried about too many working groups and not enough action. Ambassador Jenkins agreed that action is key.

¶5. (SBU) NUCLEAR R&D AGREEMENT: Ambassador Jenkins said the signing of the bilateral nuclear R&D agreement in Vienna in

September had been an important positive step and asked Adam for his views on it. Adam called for both governments to "sweeten the pot", providing seed money and letting scientists begin to cooperate. He noted that the Pebble Bed Modular Reactor is a key tenant at NECSA-Pelindaba with its helium and fuel testing facilities.

¶16. (SBU) MOLYBDENUM 99: Ambassador Jenkins thanked NECSA for ramping up molybdenum-99 production to help cover the global shortfall of this key medical radioisotope used for cancer diagnostics and treatment. She expressed awareness of the successful bilateral discussions in Vienna on cooperation. In addition, Ambassador Jenkins delivered a copy of the reftel letter from the President's Science Advisor thanking the SAG for assuring increased availability of moly-99 to the market (Post also transmitted the letter to the Minister of Energy.) Adam said 30 percent of NECSA's production went to the U.S., compared to zero before the problems with the Canadian facility. He said NECSA saw moly-99 as good business and was pursuing full conversion to LEU-based production because it was the right thing to do from both non-proliferation and commercial perspectives. Adam said that governments had traditionally over-subsidized moly-99 production. He called for removing the distortions in the market, noting that the global shortfall was making prices more realistic and commercial. Adam envisioned investing with a joint venture partner in the U.S. to produce for the U.S. market, because distance was a challenge for the short half-life product. He asked Ambassador Jenkins whether the USG would commit to buying NECSA's LEU-based product, even when the Canadian HEU-based product came back on line.

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Ambassador Jenkins noted that she understood his request and said she would take it back to Washington.

¶17. (SBU) USDOE participants also broached cooperation imminent and underway in Megaports and Commodity Identification Training, respectively. Michael Stafford presented the proposal for enhancing cooperation through the Nuclear Smuggling Outreach Initiative to prevent, detect, and respond to nuclear smuggling attempts. Stafford highlighted U.S. interest in cooperating on response to smuggling incidents, given NECSA's role as the national authority on response planning.

¶18. (SBU) COMMENT AND ACTION REQUEST: Post asks USDOE and the Department to respond to NECSA's question about the USG's commitment to NECSA's LEU-based product for the longer term, as it plays a leading role in conversion from HEU to LEU and makes investments to meet the current global shortfall and future market opportunities, including in the U.S.

¶19. (U) This cable was cleared by Ambassador Jenkins.

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